

## Guidelines on Legal Entity Identifier

### INTRODUCTION

1. In accordance with Article 16 of Regulation (EU) No 1094/2010<sup>1</sup> EIOPA issues these revised Guidelines on the use of Legal Entity Identifier (LEI).
2. In its review of the application of the Guidelines on the use of LEI (EIOPA-BoS-14-026)<sup>2</sup>, EIOPA concluded that those should be revised to clarify their scope, taking into consideration the evolving and increasing relevance of the LEI. In addition, the revision should simplify and update where relevant the text thereof, with a view to facilitate and further promote the use of LEI as unique identification code for legal entities under the supervisory remit of the competent authorities.
3. These Guidelines are addressed to competent authorities.
4. These Guidelines shall apply from 1 July 2022 and shall repeal and replace the Guidelines on the use of LEI (EIOPA-BoS-14-026).
5. These Guidelines address the need to have a LEI and identify the legal entities that should have a LEI. The Guidelines do not define when a LEI should be used. The use of a LEI in reporting and disclosure requirements will be incorporated in the future in new or amended legislative acts.
6. As part of its involvement in data standardisation initiatives, with these Guidelines EIOPA continues to support the adoption of the LEI system proposed by the Financial Stability Board (FSB) and endorsed by the G20, aimed at achieving a unique, worldwide identification of parties to financial transactions.
7. The Guidelines continue to establish consistent, efficient and effective supervisory practices by harmonising the identification of legal entities in order to ensure high quality, reliable and comparable data. Having such data contributes to:
  - a) better supervision and oversight of financial institutions as well as improved regulatory policies and decision making process;
  - b) identifying, assessing, monitoring and reporting risks to the financial stability of the European insurance and pensions sectors;

<sup>1</sup> Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pension Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

<sup>2</sup> EIOPA Guidelines on the use of LEI (EIOPA-BoS-14-026), available at: [https://www.eiopa.europa.eu/documentlibrary/guidelines/guidelines-use-of-legal-entity-identifier\\_en](https://www.eiopa.europa.eu/documentlibrary/guidelines/guidelines-use-of-legal-entity-identifier_en).

- c) supporting overall EIOPA's work on crisis prevention, financial stability, oversight, policy and consumer protection.
8. A wider use of the LEI code to identify legal entities under supervision of competent authorities in different Member States would be particularly beneficial for classifying and aggregating data from legal entities which operate cross-border, through branches established in other Member States or through freedom to provide services.
  9. The LEI rules allow for unambiguous identification of the legal entities mentioned above, avoiding inconsistency and ambiguity of identification by national codes or by their name. This categorisation improves the quality and timeliness of aggregated data at EU level and eventually reduces the reporting burden for reporting entities operating cross-border.
  10. Using shared codes to collect and disseminate data by individual legal entities will also facilitate linking to different databases and other sources of information available at the national and international level.
  11. Considering the benefits of the LEI the legal entities with the head office in EEA referred to in these Guidelines are encouraged to require a LEI for their branches established in a third country and for the third-country legal entities and non-regulated undertakings which are part of the group as defined in Article 212(1)(c) of Directive 2009/138/EC<sup>1</sup>.
  12. These Guidelines concern legal entities which are under the supervisory remit of the competent authorities. As such, the Guidelines in principle do not concern natural persons.
  13. However, it needs to be noted that *"individuals acting in a business capacity are eligible to obtain LEIs, provided they conduct an independent business activity as evidenced by registration in a business registry, with only one LEI issued for the same individual and adequate verifications that data protection, privacy or other obstacles do not prevent the publication of the current LEI data file"*<sup>2</sup>.
  14. Therefore, for the purposes of these Guidelines, in case where natural persons are intermediaries operating cross-border in the EEA, they should have a LEI.
  15. These Guidelines take into consideration the Recommendations of the European Systemic Risk Board (ESRB) on identifying legal entities<sup>3</sup> (in particular Recommendation B) where relevant authorities<sup>4</sup> are recommended to require or, where applicable, continue to require, all legal entities involved in financial transactions under their supervisory remit to have an LEI.
  16. These Guidelines take into account the principle of proportionality and legal remits.

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<sup>1</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), (OJ L 335, 17.12.2009, p. 1).

<sup>2</sup> LEI-ROC "Statement on individuals acting in a business capacity", available at:  
[https://www.leiroc.org/publications/gls/lou\\_20150930-1.pdf](https://www.leiroc.org/publications/gls/lou_20150930-1.pdf).

<sup>3</sup> Recommendation of the European Systemic Risk Board of 24 September 2020 on identifying legal entities (ESRB/2020/12), available at: [https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32020Y1126\(01\)&qid=1606388881614&from=EN](https://eur-lex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:32020Y1126(01)&qid=1606388881614&from=EN).

<sup>4</sup> Recommendation of the European Systemic Risk Board of 24 September 2020 on identifying legal entities (ESRB/2020/12) (2020/C 403/01); Section 2 Point 1 - Definitions.

17. If not defined in these Guidelines, the terms have the meaning defined in Directive 2009/138/EC, Directive (EU) 2016/2341<sup>5</sup> and Directive (EU) 2016/97<sup>8</sup>. For the purpose of these Guidelines, the following definitions apply:

- a) LEI - The Legal Entity Identifier (LEI) is a 20-character, alpha-numeric code based on the ISO 17442 standard developed by the International Organization for Standardization (ISO). It connects to key reference information that enables clear and unique identification of legal entities participating in financial transactions. Each LEI contains information about an entity's ownership structure and thus answers the questions of 'who is who' and 'who owns whom'.
- b) GLEIF - Established by the Financial Stability Board in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is tasked to support the implementation and use of the Legal Entity Identifier (LEI). The foundation is overseen by the LEI Regulatory Oversight Committee and acts as an operational arm of the Global LEI System. GLEIF is a supranational not-for-profit organization headquartered in Basel, Switzerland.
- c) GLEIS - Global LEI System which operates in three tiers: LEI Regulatory Oversight Committee (LEI ROC), GLEIF and Local Operating Units (LOUs).
- d) The Financial Stability Board (FSB) and the Group of Twenty (G20) endorsed LEI, GLEIF and GLEIS.
- e) LEI ROC – The Regulatory Oversight Committee (ROC) is a group of 69 public authorities with full membership and 19 observers from more than 50 countries established in January 2013 to coordinate and oversee a worldwide framework of legal entity identification, the Global LEI System.
- f) LEI issuers – i.e. Local Operating Units (LOUs) that issue LEI codes. LOUs are the utilities endorsed by the ROC, or accredited by the GLEIF under ROC oversight, to provide LEI registrations to registrants and other services. LOUs supply registration, renewal and other services, and act as the primary interface for legal entities wishing to obtain an LEI.

### Guidelines 1 – Scope of legal entities

18. The competent authorities should require that at least the following legal entities under their supervisory remit have a LEI:

- a) legal entities within the scope of Directive 2009/138/EC:
  - (i) insurance and reinsurance undertakings. The branches established in the EEA and belonging to insurance and reinsurance undertakings with head office in the EEA may use the LEI of the insurance and reinsurance undertakings;
  - (ii) the ultimate parent undertaking as defined in Article 215 of Directive 2009/138/EC, and all undertakings, except non-EEA undertakings and non-regulated undertakings, included in the scope of a group as defined in Article 212(1)(c) of Directive 2009/138/EC;
  - (iii) mixed-activity insurance holding companies;

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<sup>5</sup> Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37). <sup>8</sup> Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast) (OJ L 26, 2.2.2016, p. 19).

- (iv) branches established in the EEA and belonging to insurance or reinsurance undertakings with head office in a third country.
- b) Institutions for occupational retirement provisions (IORPs) registered or authorised in accordance with Directive (EU) 2016/2341, satisfying one of the following conditions:
  - (i) a balance sheet total of more than one thousand million Euros; or
  - (ii) a balance sheet total of more than one hundred and less than one thousand million Euros and it is ranked as one of the five biggest IORPs in terms of balance sheet totals in the Member State.
- c) insurance, reinsurance and ancillary insurance intermediaries which carry out crossborder business in accordance with Directive (EU) 2016/97, in so far as they fall under the supervisory remit of the competent authority.

## **Guidelines 2 - Provision of information to EIOPA**

- 19. The competent authorities should ensure that the non-aggregated information which they provide to EIOPA concerning legal entities or groups of legal entities under their supervisory remit, contains the LEIs required in accordance with these Guidelines.
- 20. The competent authorities should use the LEI, if available, to identify information provided to EIOPA concerning branches established in a third country and belonging to insurance or reinsurance undertaking with head office situated within the EEA.

### **Compliance and Reporting Rules**

- 21. This document contains guidelines issued under Article 16 of Regulation (EU) No 1094/2010. In accordance with Article 16(3) of that Regulation, competent authorities and financial institutions are required to make every effort to comply with guidelines and recommendations.
- 22. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.
- 23. Competent authorities are to confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.
- 24. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

### **Final provision on review**

- 25. These Guidelines will be subject to a review by EIOPA.